





# Guaranty Trust

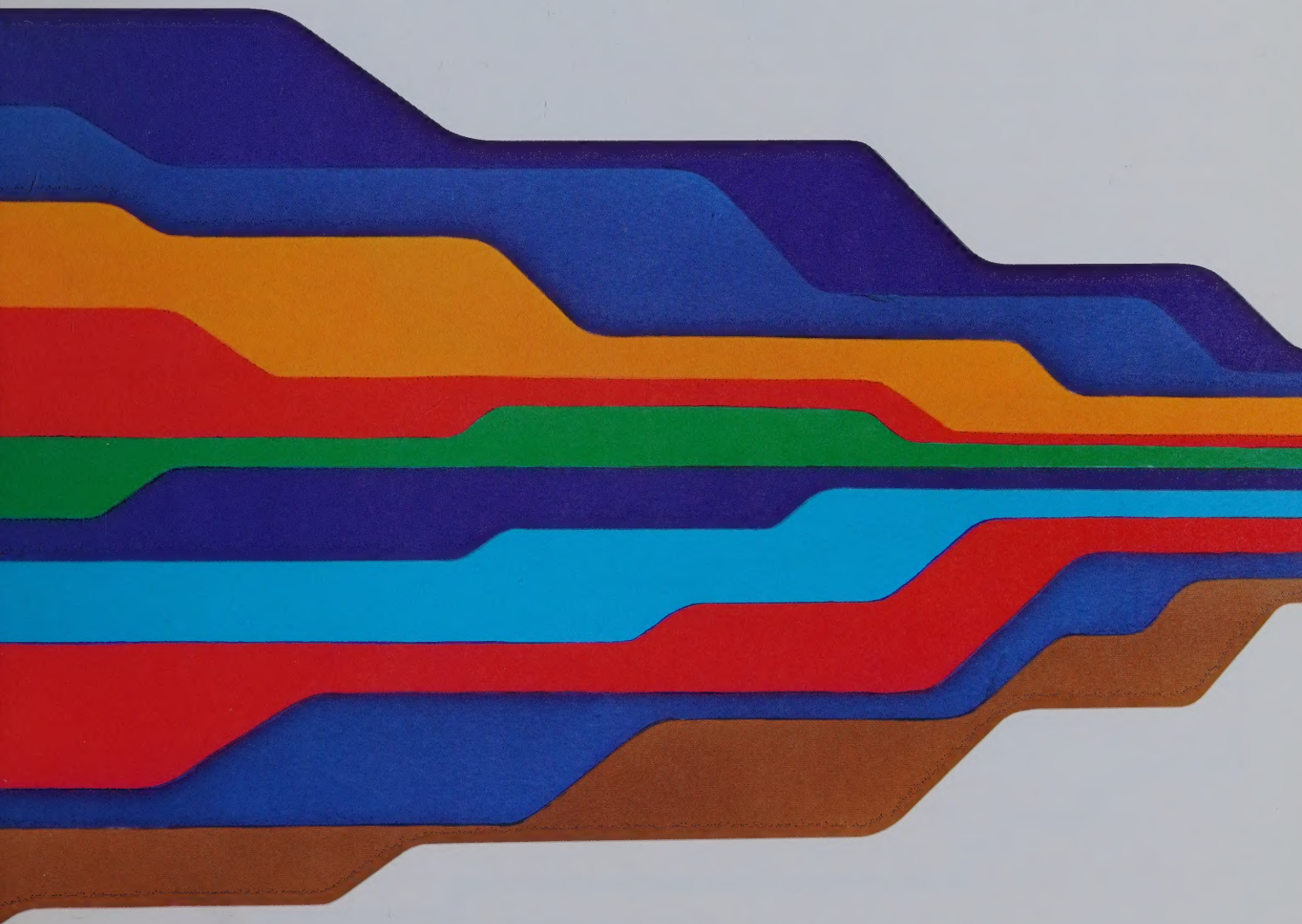
Guaranty Trust Company of Canada  
Head Office: 366 Bay Street, Toronto  
Branches across Canada.



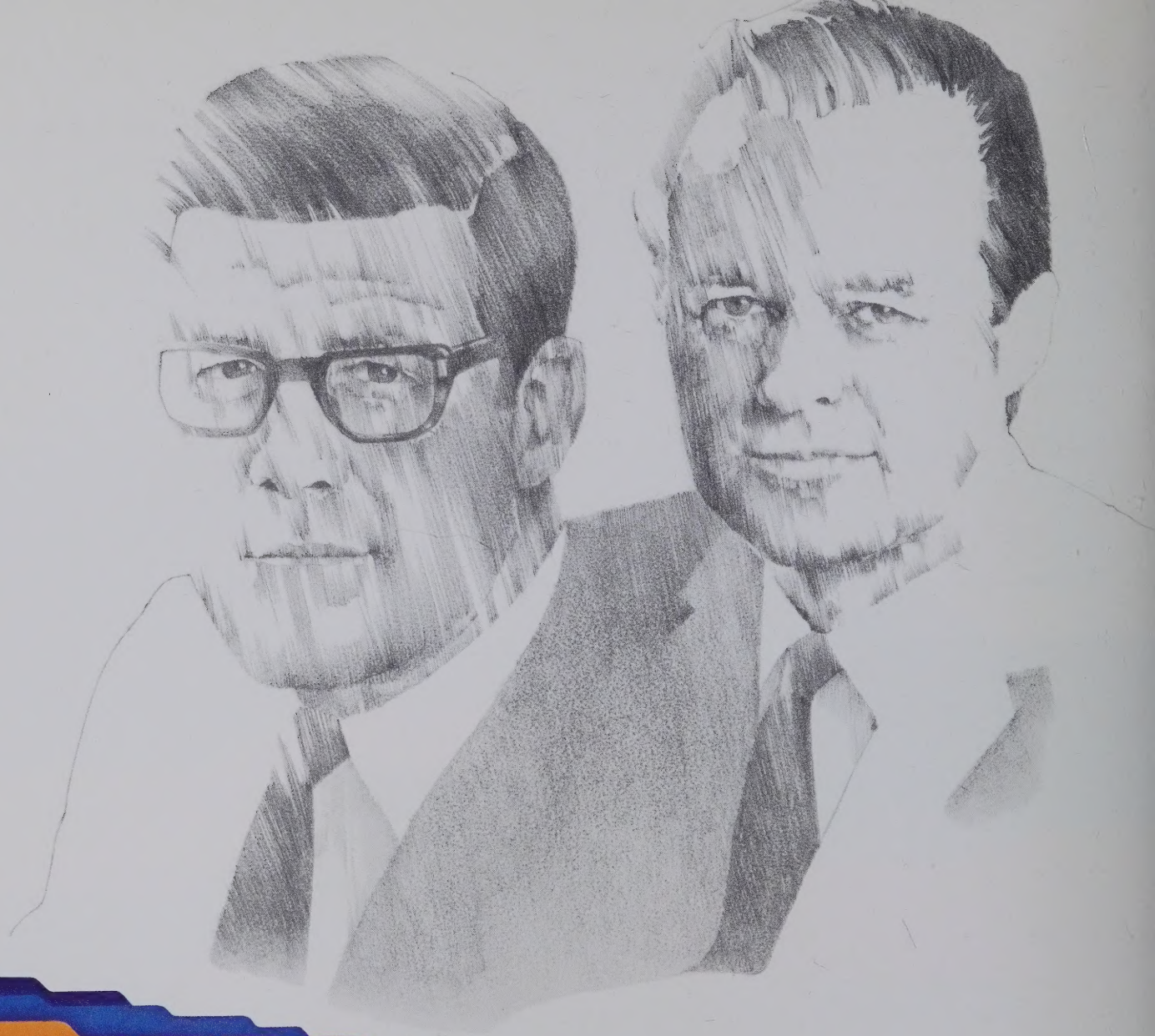


# Financial Highlights

(\$000's omitted)	1973	1972	% Change
Investment Income	\$ 67,024	\$ 55,255	21.3
Fees and Commissions	\$ 8,259	\$ 5,868	40.8
Total Revenue	\$ 75,283	\$ 61,123	23.2
Profit from Operations	\$ 3,475	\$ 4,965	(30.0)
Net Profit for the Year	\$ 3,515	\$ 5,382	(34.7)
Earnings per Share	\$ 0.79	\$ 1.21	(34.7)
Dividends per Share	\$ 0.56	\$ 0.56	N/C
Assets Under Administration:			
Company and Guaranteed Funds	\$ 953,188	\$ 793,046	20.2
Estate, Trust and Agency Assets	\$ 579,595	\$ 551,747	5.1
Total Assets Under Administration	\$1,532,783	\$1,344,793	13.9







To Our Shareholders



The 1972 report to the shareholders noted that, "with the large increase in money supply that has taken place in 1972 and the possibility of a continued substantial increase in 1973, there is a great danger of sharp increases in inflation and, therefore, interest rates, as 1973 draws to a close and the third successive year of economic growth ends. It is possible that 1974 will see the end of the current cycle of growth and this may coincide with high inflation and high interest rates."

This assessment, while generally correct, did not anticipate the magnitude of the increase in both interest rates and inflation that faced the Company this past year and that faces the Company in the future.

As senior officers of a company which invests money on behalf of other people, we are concerned by the fact that so many people seem to be taking this rapid increase in inflation for granted. The Economic Council of Canada in its recent Annual Report said that Canada should merely outperform its neighbouring countries in this respect. So far, the country seems to be able to tolerate without any great social unrest a rate of inflation of between 5% and 8%. We do not know whether inflation can be kept this low. We rather doubt it and we do not know what kind of further social distortions will take place if inflation moves up to rates in excess of 10% annually and middle income savings become subjected to confiscation by this rate of inflation.

## Financial Highlights

Net operating profit, that is operating profit before profit and loss on the sale of securities, declined from \$1.12 per share to \$0.78 a share.

Gains on the sale of securities in 1973 amounted to 1¢ a share compared to 5¢ a share in 1972. Accordingly, profit after gains on the sale of securities declined from \$1.17 a share to \$0.79 a share.

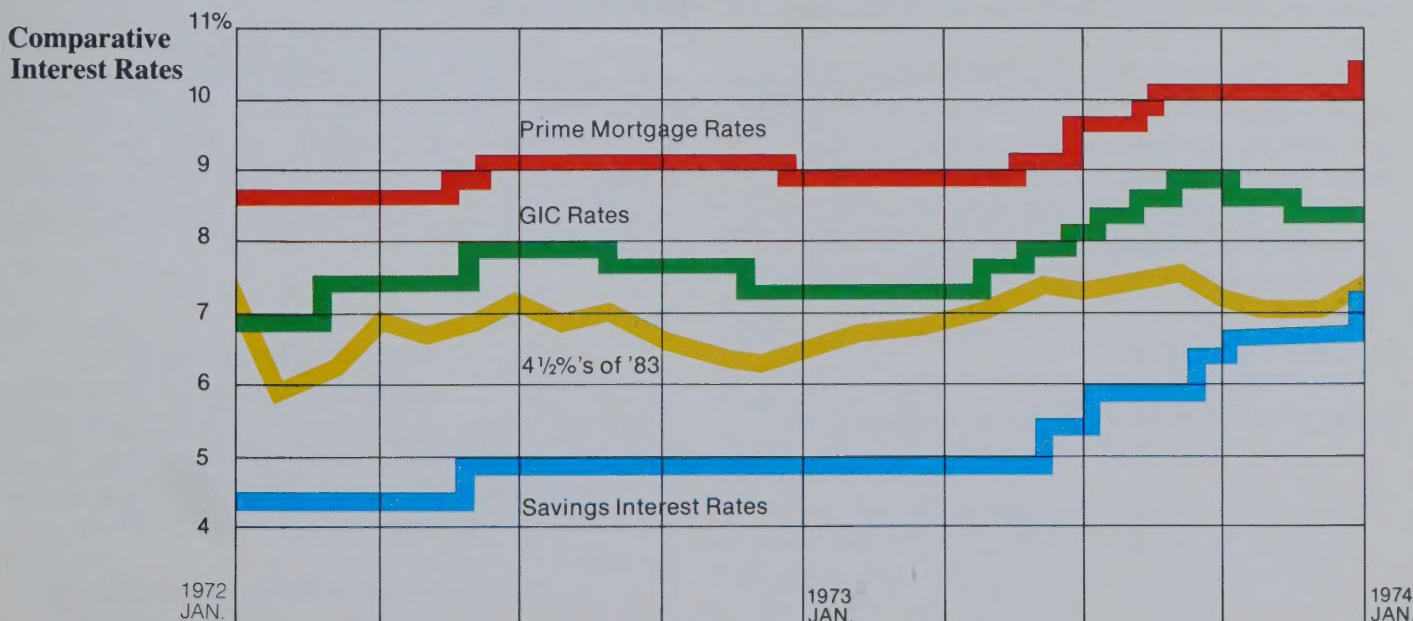
In order to fully grasp the reasons for this decline in the Company's profits, it is necessary to give some additional details about the Company's Balance Sheet.

At December 31st, out of a total mortgage portfolio of \$652 million, \$178 million was in mortgage loans at rates of 6<sup>3</sup>/<sub>4</sub>% or below. These mortgages were made many years ago and are long term in nature; the earnings from these assets are a drag on the Company's earnings.

The liabilities which finance these mortgages show that the Company is highly sensitive to short term interest rates. Demand deposits, including savings-chequing and short term time monies, at year-end amounted to \$266 million. A total of \$96 million was in money market securities, current rates for which were above 8.5%. Deposits of \$77 million are in chequing accounts at the Company's many Branches across the country. During 1973, these chequing accounts paid depositors 4% annual rate of interest. Commencing January 1st of this year, the Company ceased paying interest and eliminated service charges on these accounts. This change will improve net operating profits in 1974.

The remainder of the demand deposits are mainly in savings accounts on which interest was being paid at December 31st of 6<sup>3</sup>/<sub>4</sub>%. On January 1st, the rate was moved to 7<sup>1</sup>/<sub>4</sub>%. All term deposits are currently being offered at higher rates than these.

It will be readily apparent from this





description how short term interest rates affect the Company's earnings. When interest paid on savings accounts reaches a figure in excess of approximately 6½%, the Company loses money on all those funds invested in long term mortgages at rates under 6¾%, if those particular deposits are matched against the low-yielding mortgages. These mortgages are marketable only at substantial capital losses.

Accordingly, to minimize the drag effect of these low-yielding mortgages, your Company's management decided to make the Company's portfolio grow extremely rapidly. In a very short time the long term low-yielding mortgages will represent a much smaller proportion of a very much larger pool of assets earning substantially higher rates.

This was the strategy followed during the past year. The chart on the previous page shows that interest rates remained fairly level during the first half of the year. During this period, we built up substantial liquidity and held off investing funds. This penalized earnings in the first half of the year. but, as interest rates began to rise, the Company moved into a fully-invested position at the year-end. These investments took three routes:

#### **Mortgages**

The Company in 1973 completed the largest mortgage lending year in its history. It opened the year with \$72 million worth of commitments and closed the year with \$158 million worth of commitments.

Gross mortgage advances totalled \$195 million and the Company showed a net increase in mortgages of \$145 million which is \$88 million more than mortgages increased in 1971, previously the largest mortgage lending year in the Company's history.

During the year, we involved the Branches much more actively in direct mortgage lending and substantially strengthened the mortgage staff at major branches across the country.

The outlook for placing mortgage funds at attractive rates continues to look good, although tight money supply may inhibit mortgage lending.

#### **Guaranty Plan Loans**

The Guaranty Plan and collateral lending business also showed a substantial increase from

\$14.5 million to \$25.1 million. The Company is now able to provide this lending service at all but 13 of our Branches and we feel that it has a generally beneficial effect on our overall business. At the end of the year, the Company received its small loans license and commenced to make loans under The Small Loans Act.

#### **Corporate Finance**

During the past year, this new division initiated a programme of term loans to small and medium-sized businesses. These loans are made at fixed or floating rates of interest and can be amortized over as long as twenty years, although the term is normally not in excess of five. Generally, the loans are intended for the longer term expansion needs of the borrower and security for the loan is a combination of real estate and equipment.

This has been a thoroughly successful innovation on the Company's part and provides a much needed service to the small and medium-sized segment of our business community. We have received considerable co-operation from Canadian chartered banks who view our role as very complementary to theirs in terms of a total financial package. It has also enabled us to work closely with Traders Group Limited and MerBan Capital Corporation in arranging equipment, equity and term financing where appropriate.

The first loan went on the books in August of this year and by December 31st the portfolio amounted to \$7 million, with outstanding but undisbursed commitments of an additional \$5 million. We regard this as a major area of growth for the future.

#### **Deposit Growth**

In order to finance this rapid growth of assets, a most aggressive deposit-gathering policy was undertaken and deposits rose by 21.0%, the largest increase in the Company's history. This increase was centered mainly in term deposits where we substantially increased our share of the total term deposit market.

#### **Other Services**

The Company's revenue from fees and commissions from estates, trusts and other financial and advisory services increased 11.8% this past year to \$6.4 million. Estates, Trusts and Agency assets under administration increased to \$579 million as of December 31st compared to \$552 million at last year-end.

The main thrust of our personal services



during the past year was in the area of retirement savings plans. In addition to marketing our 'Self-Administered' Plan and our internally 'Managed' Plan, we introduced a 'Guaranteed' Retirement Savings Plan primarily for those Canadian tax payers who wanted their deposits guaranteed as to principal and interest. We had an outstanding success in this area substantially increasing our share of the total business available to the trust companies.

In 1974 we will add a fourth retirement savings plan investment vehicle in the form of a pooled Mortgage Fund. Planholders will now have the opportunity of investing in any one of our four Plans: our 'Managed' Retirement Savings Plan, either the Equity Section investing in Canadian Common stocks or the Income Section investing in bonds; our 'Guaranteed' Plan; our popular "run your own" 'Special' Plan; and now the new Mortgage Fund offering a high annual rate of return. We believe this variety will satisfy the investment objectives of most Canadian taxpayers.

Other personal trust services grew more slowly and we have concentrated during the past year on improving administrative capacity in various of our branches and in Head Office so that we could improve the quality of service to our clients.

Corporate fiduciary services continued to consolidate and grow selectively. Stock transfer continued to show growth although total revenues reflected the state of the stock markets during the latter half of the year and did not grow as much as we would have liked.

The Corporate Pension Services Department has broadened its range of services and has experienced a substantial increase in the volume of pension funds under administration.

Real Estate activities in the booming housing market showed substantial gains. Total real estate commissions gained by 75%. Four new offices were opened and this activity of the Company looks to an excellent future. Real estate sales were a major contributor to our earnings during the past year.

### **Expenses**

Staff and other expenses continued to grow rapidly as a result of the carry forward effect of many management changes and improvements that have been brought into effect during the past year. We anticipate that salary costs will now begin to

level off, but inflationary and competitive pressures could adversely affect this area.

We initiated a series of formal management training programs in 1973 which will be carried forward into 1974. In addition, we were able to achieve a much greater degree of promotion from within than has taken place in the Company's recent history and turnover has been substantially reduced at the management level. These are healthy signs.

On the other hand, inflationary pressures continued to have an upward effect on salaries of all existing personnel. In order to remain competitive, we will continue to adjust the salaries of existing personnel upwards. Rather than making across the board adjustments, we have by and large made generous adjustments arising out of merit and hard work. We would like to express here our appreciation to all of the personnel within the Company for the efforts they put forth in a very difficult year—1973.

### **Champion Savings Corporation Limited**

A good deal of executive time this past year was expended in resolving the problems which arose out of the bankruptcy of Champion Savings Corporation Limited. This company was put into bankruptcy late last year by Guaranty Trust as Trustee of the company's investments.

As a result of our investigations, Guaranty Trust offered the certificate holders of Champion Savings and Loan Corporation a settlement of \$1½ million. This was accepted by the majority of certificate holders and the matter is being settled.

At the half year, a provision of \$800,000 after taxes was made in the Unappropriated Earnings account and this appears to be sufficient. The settlement will therefore have no effect on this year's earnings.

### **Organization**

On November 1st, the Company was pleased to announce the appointment of Alan R. Marchment as President of the Company, at which time the Directors elected Gordon R. Sharwood as Chairman and Chief Executive Officer. Mr. Marchment comes to us with a wealth of experience from a large retail organization. He has already brought great strength to the Company's management team.

During the course of the year, a regional organization was inaugurated with Mr. E. B. Toller being appointed Regional Vice-President, Toronto



Region; Mr. W. M. Simms, Regional Vice-President, Mid-West Region and Mr. L. F. Eberts, Regional Vice-President, Western Region. On January 1st, the regions were slightly altered with the addition of Mr. J. A. Farrer as Regional Vice-President, Eastern Region, with jurisdiction over Quebec and Eastern Ontario Branches. The appointment in March 1974 of Mr. T. R. Hixson as Regional Vice-President, Ontario Region, will complete our branch management team.

It must be pointed out that there are many new people in the Company and many people who have been promoted rapidly. It will take time to weld this management group into the kind of team that will move this Company rapidly ahead. We feel that the many appointments which have been made over the past two years will in the long run substantially strengthen the Company as the new organization begins to work as a team.

### **Directors and Advisory Board Members**

During the past year, we lost four Directors through resignation. These were Mr. David B. Mansur, Mr. William Gunning, Mr. E. Davie Fulton and Mr. Arthur A. Wishart. The reasons for their resignations were varied; Mr. Mansur and Mr. Gunning retired to devote more time to their own personal activities; Mr. Fulton was elevated to the Bench; and Mr. Wishart was appointed Special Advisor to the Prime Minister of Ontario.

To all of these gentlemen, we extend our warmest wishes and deep thanks for their contribution to our Board deliberations.

We also lose, on account of the mandatory age requirement, Mr. W. F. Spry, a Vice-President of the Company. We think the Company owes something special to Bill Spry. On the Board since May 19, 1945, he has been a member of the Investment Committee, Executive Committee and an outstanding contributor to the Company's affairs.

At the Directors' meeting following the Annual meeting, the Chairman proposed that Mr. Spry be elected Director Emeritus. If anyone deserves this honour, it is Bill Spry. We wish him the continuation of his active life and hope that he keeps his association with us.

New Directors elected were:

Mr. W. John A. Bulman, President of the Bulman Group Ltd. Winnipeg;

Mr. Irving Gerstein, President of Peoples Jewellers Limited, Toronto;

Mr. Archibald F. Sheppard, Q.C., partner in

the firm of Martin, Sheppard, Clark, McKay & Den Ouden, Niagara Falls;  
Mr. Stan Milner, President of Chieftain Development Ltd., Edmonton.

During the year, we lost through death the valued contribution of Mr. A. L. Benson, an Advisory Board member in Niagara Falls.

A substantial number of new appointments were made at the Directors' meeting to Advisory Boards across the country. We welcome these men to our deliberations.

### **Review of the Capital Problem**

The very rapid growth of the Company has caused us to press against the statutory limitation on the borrowings of the Company and accordingly, at the Annual Meeting, the shareholders authorized an application for Supplementary Letters Patent to increase the authorized capital of the Company by the creation of 1,250,000 preference shares of a par value of \$20 each. This will put the Company in a good position to take advantage of future growth.

### **Outlook**

In last year's address, it was suggested that excessive increases in money supply in 1972 would cause higher rates of inflation in 1973 and 1974. Upon further reflection, we think that much of today's inflation is caused by an overstimulation of consumption. Whenever the economy of any of the developed countries begins to slow up slightly, policies are instituted which are basically demand stimulative. Unfortunately, this stimulation has not worked to produce investment in the kinds of capacity to increase supply and as a consequence, we are faced with supply shortages of many materials and goods in most of the developed world. It is interesting to speculate why this is the case. One of the reasons is that monies which are spent for the purchase of goods are siphoned off by taxes which are again put into transfer payments which in turn stimulate consumption. Thus savings are not diverted into investment for the production of goods and materials.

Corporate profits have been penalized in many respects and accordingly corporate cash flows have not been such as to stimulate corporations to make the kinds of capital investments that are



desirable to fully supply the needs of the economies.

Environmental considerations have also held back necessary investments. Last year, the Canadian government embarked on some thoroughly proper steps to stimulate investments and we believe they should be giving some further consideration to some more stimulation of the investment process rather than consumption stimulation.

As senior officers of a trust company, we are concerned about the diversion of savings from investment in productive assets such as bonds and stocks to less productive assets such as gold, jewellery, art and real estate. There has been excessive stimulation of demand for housing through the competitive pressures of several large new companies entering the mortgage insurance field. This has had the result of lowering down payments on houses. There has also been a change in the thinking of young couples who apparently now prefer to purchase houses and postpone having children in order to pay for the house. These factors have moved prices in most urban areas to levels which seem unreal. These houses represent excess capacity in the economy because they often have empty rooms which will not be used for many years as the couples postpone having families.

The widespread feeling that there is no downside risk in investment in housing and the fact that a principal place of residence is exempt from capital gains tax when passed to heirs further prompt individuals to invest in houses rather than in bonds and stocks.

Now a trust company is an institution which makes its main business the lending of monies for mortgages; so far be it for us to criticize investment in housing, but we think that, in spite of what some politicians say, Canadians are an extremely well housed people and that high prices particularly in the Toronto region are caused mainly by excess demand and not by inability to buy houses. There is no question that something special has to be done for low income groups but speculators will not speculate in land if they are not certain of the final demand for their housing units. We believe that final demand for houses has been over-stimulated in Canada over the past five years and that this has contributed towards the inflationary process.

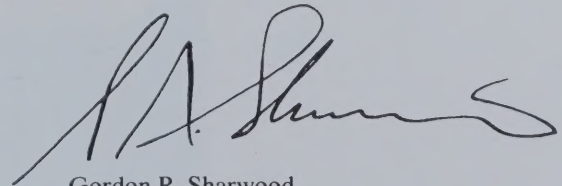
In the December issue of Fortune magazine, there was a chart which showed the shift of wealth out of bonds and stocks into real estate and tangible assets. We have examples in our Trust Department every day of people using inheritances

to purchase tangible goods as a store of value rather than bonds and stocks. With inflation as it has been, who would now regard a bond as a store of value? With inflation as it is, who would now regard a savings account as a store of value? With the stock market acting as it has over the past five years, who would now regard a share certificate as a store of value? What better store of value has there been than a fine work of art, a fine antique, a fine piece of jewellery and a well located piece of real estate? Unfortunately, these investments do not provide the farmer with additional capital to increase his produce on the farm to feed us all. They do not help the steel companies build plant additions to help supply us with steel. They do not help the utilities to put their generating plants into position so that we can be fully supplied with energy. They do not help the oil companies drill for new oil and gas.

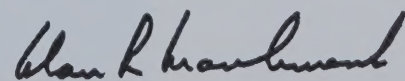
Without investment, the nation cannot grow and we believe that policies must be developed by the Canadian government to stimulate the investment process and to further induce people to invest money in stocks and bonds rather than in tangible non-productive assets. Without such policies, this country will be in great difficulties.

In summary, we think that 1974 will be a most difficult year with high inflation, increasing unemployment arising out of a slow-down in the economy and a shift to the kinds of growth in the components of Gross National Product which do not create high employment. This will be extremely complex for the government and the Central Bank to manage, particularly in the light of the events outside Canada which are familiar to us all.

We are optimistic enough to believe that, while there is a bumpy road ahead, somewhere towards the end of 1974 the country will find a clearer way and a clearer direction for policy. It is our opinion, however, that inflation is here for some time to come.



Gordon R. Sharwood  
Chairman



Alan R. Marchment  
President

26 February 1974





## Personal Services



## Deposit Services

Dramatic price increases and a rapid rise in interest rates during the second half of 1973 defeated government policies designed for a period of controlled inflationary growth. As a result, Guaranty Trust, like other financial institutions, experienced a rapid rise in interest costs on deposits.

Interest paid on savings accounts increased from 5% at the beginning of 1973 to  $7\frac{1}{4}\%$  by January 1st, 1974. Interest rates on five-year term deposits increased from  $7\frac{1}{2}\%$  to a high of 9%. Some easing of five-year term rates was noted toward the end of the year as they declined to  $8\frac{1}{2}\%$ .

As noted by the Chairman and President in their opening remarks, Guaranty Trust management decided that the continued success of the Company depends on the rapid growth of its assets. Given a very competitive and expanding demand for money, Guaranty Trust was obliged to gather money at current high rates in order to meet its lending commitments in the form of mortgages and other loans. These increases in deposit costs were offset to some degree as prime rates for

mortgages climbed to a high of  $10\frac{1}{2}\%$ .

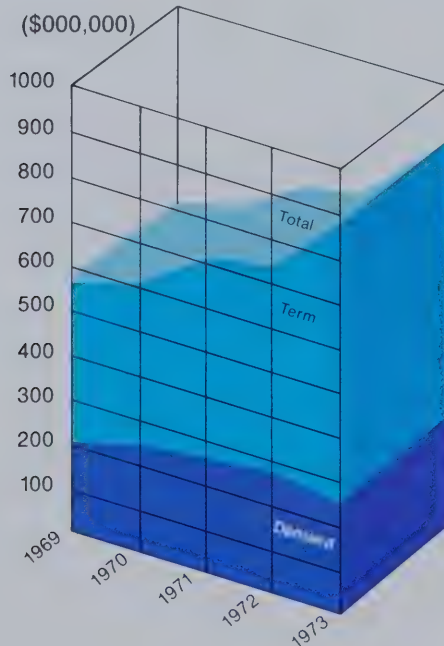
A major spring promotional campaign for lower cost demand deposits attracted new depositors and increased balances from our existing customers. However, total demand deposits mainly in Chequing, Savings and Deposit Receipt accounts declined by 6.7% to \$266 million during the year, primarily as a result of high interest rates available on term deposits.

The Company's Guaranteed Investment Certificates (GIC's) and Guaranty Option 5 (GO-5's) inevitably felt the pressure of high interest rates. The high 9% rate of 5-year deposits caused the company to shift its marketing emphasis from long term to shorter term deposits. A Term Deposit Campaign in the fall produced more than \$20 million in new term money. Total term money increased by \$173 million or 38.6% to \$620 million during the year.

Pursuing its policy of innovation in Deposit Services, the Company introduced free and unlimited chequing privileges to customers in selected markets late in 1973. In order to provide this service, interest paid on chequing accounts was eliminated. Guaranty Trust adopted this policy for all its chequing customers on January 1, 1974.

## Deposits

5 Year Deposit Growth



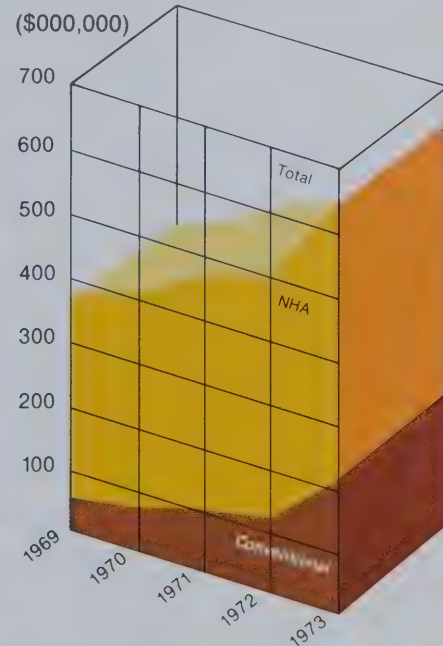
## Mortgages

The mortgage department under the management of R. J. Widdicombe, Assistant Vice-President, took advantage of a strong housing market to move the company into new areas of mortgage lending. This aggressive lending program in a tight money market increased the company's mortgage portfolio by 28.6%, from \$507 million at the end of 1972 to \$652 million by the end of 1973. Growth of the Company's conventional mortgage investment has been most significant, although NHA Approved loans still make up the major share of total mortgages.

A record for residential building starts in Canada was set in 1973. Although the Company expects a lower rate of building starts in 1974, the number will still be substantial. A total of \$158 million of mortgage commitments has already been made for 1974. Anticipated tight money market conditions mean that the Company will concentrate on meeting its 1974 commitments, further improving the quality of its mortgage portfolio and increasing the efficiency of its mortgage administration. Prime mortgage rates in 1973 climbed from 9% to  $10\frac{1}{2}\%$ . Income from the large volume of new mortgages written last year is expected to have positive impact on 1974 earnings.

## Mortgages

5 Year Portfolio Growth





## Retirement Savings Plan

Sales of the Company's Registered Retirement Savings Plans (RSP's) increased dramatically, by 129% over 1972.

The Company's long established "Managed" Plan continued to be very popular, with new Planholders joining existing Planholders to contribute more than \$7 million. This Fund now has a total market value in excess of \$24 million. The "Special" or Self-Administered Plan showed the biggest increase. Investments in "Special" Plans now have estimated total assets at book value of over \$67 million.

A new RSP, introduced January 1, 1973, pays the Planholder a guaranteed rate of return on his

contributions. This "Guaranteed" Plan gained quick acceptance among customers. The rate last year moved from  $7\frac{3}{4}\%$  at the beginning of the year to  $8\frac{3}{4}\%$  for the first six months of 1974.

Growing consumer awareness of the advantages of tax-sheltered savings plans no doubt contributed to these results, but the substantial increase in our share of the total business available in trust company registered plans was generated primarily by our aggressive promotional efforts.

In 1974, we are introducing a mortgage investment vehicle as an alternative Retirement Savings Plan. Planholders will now have the option of putting their retirement savings in our new Mortgage Fund as well as into the Guaranteed Funds, Managed Equity Funds and self-administered plans.

## Personal Loans

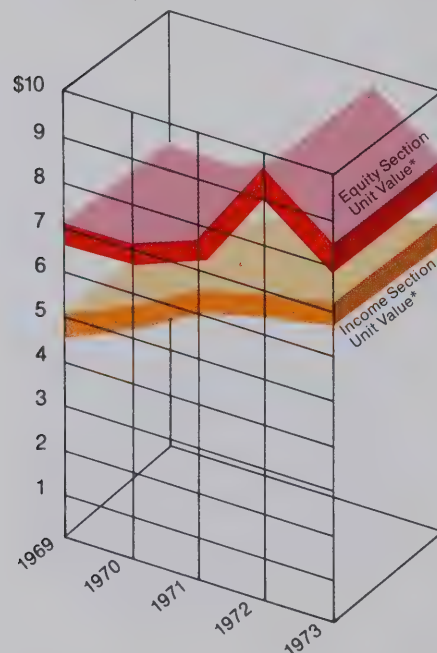
Guaranty Trust now has 32 branches with loan offices or loan capabilities. The rapid growth of the personal loan business has seen the Company move into second place among trust companies in the loan field. In 1973, the portfolio grew by 66% to \$19 million.

In 1974, the Company anticipates placing loan officers in another ten branches.

Collateral loans continue to show steady growth serving the Company's existing customers.

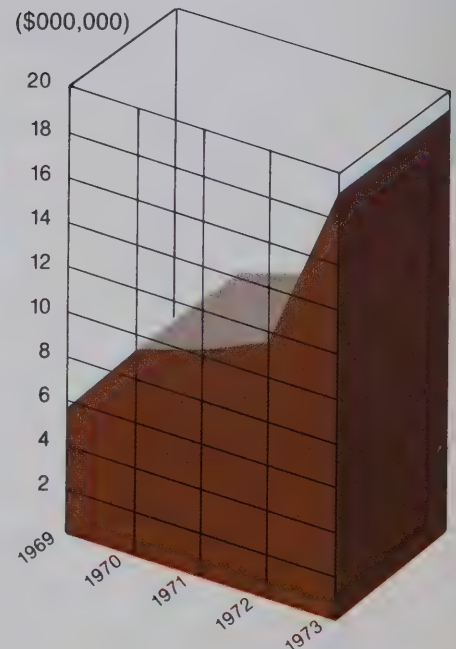
## Managed RSP Fund

5 Year Performance Record  
(Unit values include accumulated capital appreciation, dividends and interest)\*



## Guaranty Plan Loans

5 Year Growth Record





## Investment Services

The performance of private and institutional portfolios under the Company's management reflected the behavior of the stock market. After several years of steady growth, company-managed portfolios plateaued in 1973.

As an additional investment service, the Company plans to introduce income averaging contracts in 1974. Under the forward averaging provisions of the new Income Tax Act, income averaging contracts are permitted as a tax-saving vehicle. This new service is designed to meet expected demand by investors.

The Company's Investors Fund, an investment fund trust for the smaller investor, maintained strong yield levels in a declining securities market, as investors moved out of the market into tax-sheltered and other

investments. Although the unit value of both sections declined, the net indicated yield of the Income Section remained steady above 8%, while the Equity Section stood at 3%.

The new Guaranty Trust Mortgage Fund is a pooled investment fund trust investing in fully insured conventional and NHA-approved mortgages and other government-approved securities. Participants will be able to buy units in the Fund as of April 15th, 1974, at an initial price of \$10 a unit with a minimum purchase of 50 units. Investors seeking a high level of security and a high yield will find this Fund an attractive alternative to stocks and bonds.

## Personal Trusts and Estates

The demand for Personal Trust and Estate Services continues to increase as new income tax interpretations and legislation add to the complexities of the 1972 Income Tax Act. A case in point in 1973 is the provision of new Canadian tax legislation dealing with deemed realizations and capital gains at death.

Revenues from estates, personal trust and other advisory services increased 11.8% in 1973. Assets under administration increased 5.1% to reach \$579.6 million.

## Real Estate Sales

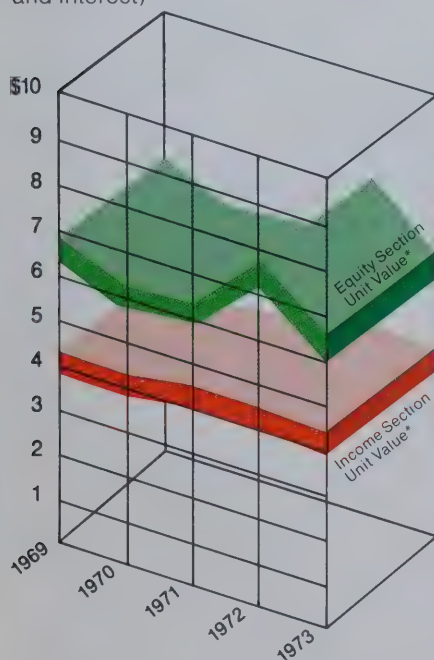
Guaranty Trust strengthened and consolidated its Real Estate base in 1973. Increased awareness by both the Real Estate Industry and the general public reflected the Company's growth and development in this area. Real estate sales commissions increased by 75% over 1972; unit sales by 30%. By the end of the year the sales staff had grown to 130, an increase of 18% over 1972.

Four new and separate real estate offices opened in Mississauga, Belleville, Hamilton and Calgary. Three existing real estate departments moved out of savings branches into separate offices in Ottawa, Vancouver and Winnipeg.

In 1974, the Company expects to open a further six new real estate offices and to expand the Industrial, Commercial and Investment real estate sale operations in selected communities across the country.

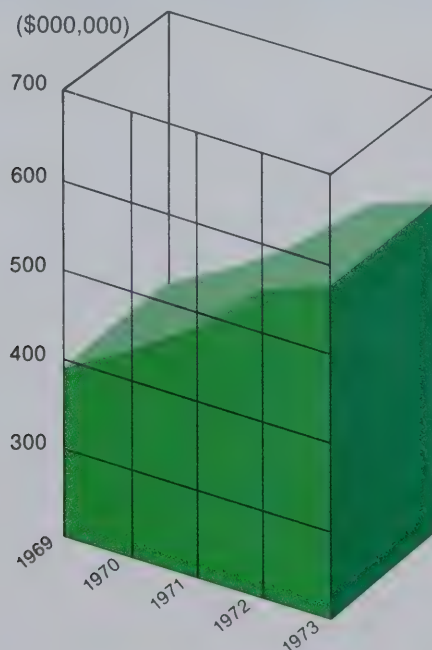
## Investor's Fund

5 Year Performance Record  
(Exclusive of distributed dividends and interest)\*

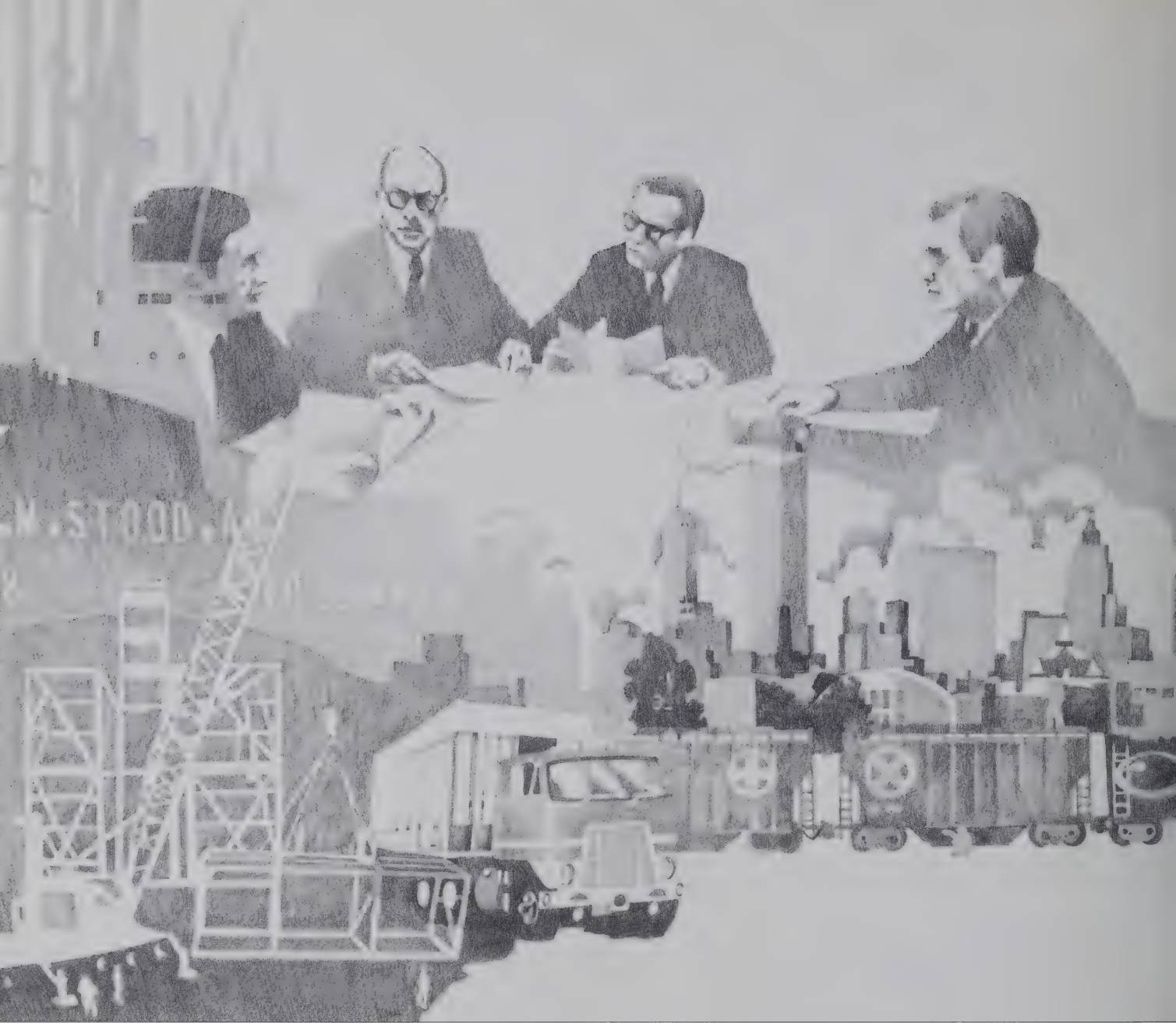


## Estate Trust and Agency

Assets under Administration







## Corporate Services



## Corporate Pension Services

Under the management of H.C. Aird, Assistant Vice-President, Guaranty Trust's share of the Canadian pension trust market was \$65 million, representing an increase in assets under administration of almost \$20 million over the previous year.

The 1972 Income Tax Act revisions increased the maximum limits of allocations under Deferred Profit Sharing Plans and the maximum allowable annual Retirement Savings Plans contributions. These changes had the effect of stimulating a renewed interest in Deferred Profit Sharing Plans. Unlike Registered Pension Plans, Deferred Profit Sharing Plans, together with Employee Thrift Plans, Profit Sharing Plans and Stock Purchase Plans, are designed to enhance retirement plans without committing employers to continuing obligations.

In 1974, the Company will continue to concentrate its sales effort in its prime market segment, the medium sized company with pension assets over \$500,000.

## Corporate Finance

This new corporate service was successfully launched during the past year under the direction of H. A. Rorison, Assistant Vice-President.

The Corporate Finance department makes term loans to small and medium sized businesses. These loans are made generally for working capital to finance long-term expansion of smaller business enterprises. Security for the loans can be a combination of real estate and equipment. The loans normally have a term of five years but can be amortized over as long as twenty years.

The achievements of this new division to date indicate that it will be a major area of growth in the future.

## Stock Transfer and Corporate Trust

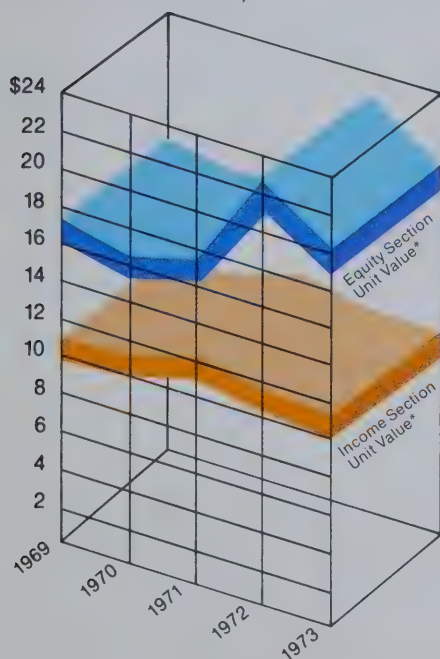
The uncertainty of the securities market and the reduced volume of trading tempered the Company's activity in both stock transfer and corporate trust services this past year.

The Company developed sufficient new business during the year to keep earnings in the department at previous levels. Any improvement in market conditions in 1974 should see a resumption of the upward trend in earnings enjoyed in previous years.

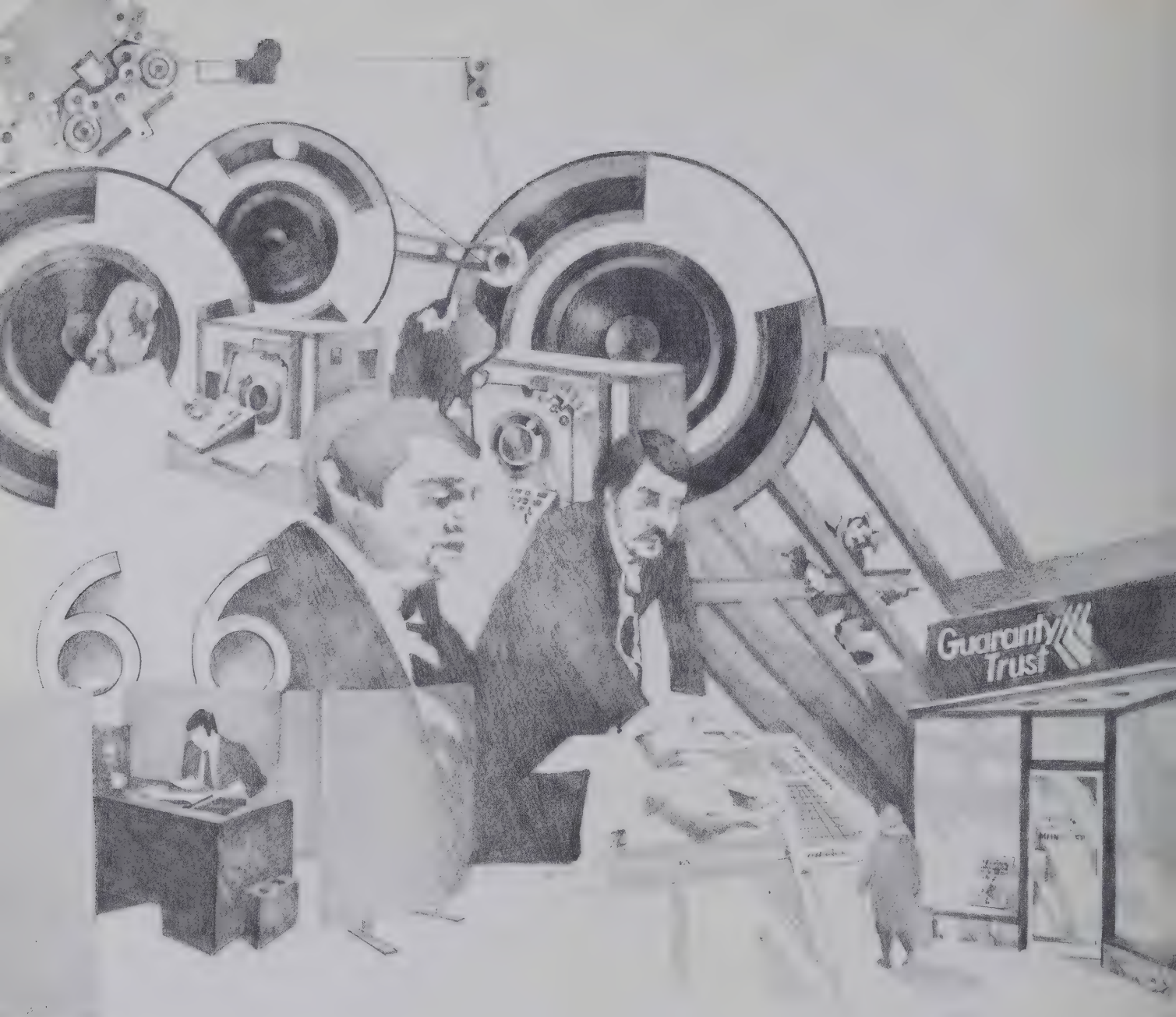
Guaranty Trust presently has a significant segment of the Stock Transfer Business of the Canadian mining industry. It is this position that has been responsible for the department being one of the major profit centres of the Company. The approximate net revenues in 1973 were \$2.8 million.

## Pooled Pension Trust Fund

5 Year Performance Record  
(Exclusive of distributed dividends and interest)\*







Operations



## **Branch Operations**

During 1973, Guaranty Trust opened a new branch in Edmonton and moved three branches to larger, new facilities in Thunder Bay, Peterborough and Belleville.

A new Mississauga branch opened in mid-February, 1974. This will be followed by the opening of a branch in Collingwood scheduled for the spring.

Early in 1973, the Company's branch network was divided into three regions. Mr. E. B. Toller was appointed Regional Vice-President, Toronto Region; Mr. W. M. Simms, Regional Vice-President, Midwest; and Mr. L. F. Eberts, Regional Vice-President, West. The regional structure was modified at the beginning of 1974 with the appointment of Mr. J. A. Farrer as Regional Vice-President Eastern Region, responsible for the Company's operations in Quebec and Eastern Ontario Branches. With the appointment of Mr. T. R. Hixson in March 1974 as Regional Vice-President, Ontario Region, the branch management team will be completed.

The objectives of the regionalization program are to effectively support and co-ordinate individual Branch operations and provide greater in-depth service and expertise to Guaranty Trust clientele on a more local basis.

## **Personnel Development**

The Personnel Department, under the direction of W. M. Moore, Assistant Vice-President, focused its efforts on "promotion from within," through the training and development of present employees. Recruitment of new personnel was confined to filling new or highly technical positions.

Formal training programs were launched to develop technical, on-the-job and managerial skills. Specific programs included a Management Development Conference, a Supervisory Development Conference, a Personal Trust Seminar and a Real Estate Sales Management Seminar.

In 1974, there will be continued emphasis on personnel training and promotion from within, consistent with the personnel needs of a developing company.

Major improvements were made last year to the Company Pension Plan, including improved benefits and graduated vesting. A new Voluntary Investment Plan was designed and implemented which permits employees to invest in a Registered Retirement Savings Plan with options of Company Stock, a Guaranteed Retirement Savings Plan or an equal combination of both.

A comprehensive benefit package was provided to our Real Estate sales staff. In addition, a series of staff benefits was provided to employees, covering most of the services provided to customers.

## **Corporate Systems**

Under the direction of M. E. Murphy, Vice-President, Corporate Systems, the information systems function was reorganized and strengthened in 1973 to provide the foundation for the more efficient manual and computerized systems needed over the next five years.

With the increasing costs of wages and benefits, efficient corporate systems permit provision of high quality customer service at proportionately less incremental cost to the Company. New systems will enable the Company to grow rapidly with increased quality of client services.

## **Marketing**

The Company expanded its marketing function considerably in 1973, under the direction of J. T. Morgan, Assistant Vice-President, Marketing.

A new corporate symbol was designed and adopted throughout the company.

The Marketing Department planned and developed three major national advertising campaigns during the year. The RSP campaign early in 1973 contributed to the most successful year for Registered Retirement Savings Plans in the Company's history.



# Related Company Activities

## **Guaranty Realty Financing**

This new company, incorporated to act as a real estate financing advisor to both developers and lenders, was formed by Guaranty Trust Company of Canada, MerBan Capital Corporation Limited and Edward D. Marchant, who was named company president.

In addition to recommending financing methods to developers and other investors, the company advises investing members of the Acres — Traders Group of companies, including Guaranty Trust. Total assets of these organizations reach \$4.2 billion.

The company will offer “one-stop” financing for projects considered feasible under existing and potential market conditions. The company’s services can range from evaluating a project at the earliest concept stage to handling of the final mortgage, including such intermediate stages as equity capital and construction loans.

## **Baxter Estates**

In June, 1973, Guaranty Trust Company of Canada, together with a chartered bank and MerBan Investment Trust, purchased a fifty percent interest in Baxter Estates Limited.

Baxter Estates Limited is a growing property company based in Vancouver. The company concentrates its activities on commercial and industrial real estate, with major projects in Calgary, Winnipeg, and other prime real estate locations in Canada.

Guaranty Trust regards this transaction as another step in the Company’s planned increased growth in real estate development.

## **MerBan Capital Corporation Limited and Ventures West Limited**

As noted in last year’s Annual Report, the Company took an investment position in both MerBan Capital Corporation and Ventures West Limited.

At the end of 1973, Guaranty Trust’s investment in MerBan represented approximately 18% of the total capitalization of that company. MerBan is a merchant banking investor in developing Canadian companies such as Cable Casting Limited, Electronic Associates, Alpha Industries, Biltmore Hats and Kaps Transport. ALPA ?

Guaranty Trust’s investment position represents 5.6% of the total capitalization of Ventures West Limited, a venture capital company based in Vancouver. Other partners in this company include The Canada Development Corporation, the Bank of British Columbia, the Bank of Tokyo and several other Canadian investors.



# Balance Sheet

Balance Sheet as at December 31, 1973

<b>Assets</b>	1973	1972
<b>Investments</b>		(Reclassified Note 1)
Cash and bank deposit receipts .....	\$ 65,077,000	\$ 32,889,000
Securities and loan income due and accrued .....	9,508,000	6,342,000
Collateral loans to brokers .....	6,816,000	30,280,000
Securities:		
Government of Canada and Provinces of Canada		
direct and guaranteed bonds, at amortized cost .....	80,288,000	84,608,000
Corporation notes, at cost .....	40,023,000	74,715,000
Other securities, at cost or amortized cost:		
Municipal .....	3,462,000	3,401,000
Corporation bonds and debentures .....	33,331,000	19,234,000
Stocks .....	16,946,000	13,694,000
(Market value 1973—\$50,361,000; 1972—\$35,994,000) .....	53,739,000	36,329,000
	174,050,000	195,652,000
<b>Loans:</b>		
Consumer loans, less provision for losses .....	19,389,000	11,658,000
Secured loans, less provision for losses:		
Corporate .....	6,852,000	—
Personal .....	5,685,000	2,878,000
	12,537,000	2,878,000
Mortgages, at cost .....	651,770,000	507,110,000
	683,696,000	521,646,000
<b>Other investments:</b>		
Affiliated companies (Note 2) .....	810,000	540,000
Other, at cost .....	3,737,000	—
	4,547,000	540,000
	943,694,000	787,349,000
<b>Other Assets</b>		
Premises, leasehold improvements and equipment, at cost less		
accumulated depreciation and amortization of \$3,792,000		
(1972—\$3,443,000) .....	5,017,000	4,550,000
Advance to estates, trusts and agencies .....	250,000	250,000
Income taxes recoverable .....	1,951,000	—
Accounts receivable and other assets .....	2,276,000	897,000
	\$953,188,000	\$793,046,000
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Guaranteed Trust Funds:		
Demand deposits .....	\$265,791,000	\$284,740,000
Term deposits .....	620,060,000	447,420,000
Interest accrued and other payables .....	18,022,000	12,077,000
	903,873,000	744,237,000
Income taxes payable .....	—	2,026,000
Dividend payable .....	622,000	622,000
Other liabilities .....	2,209,000	823,000
	906,704,000	747,708,000
Deferred income taxes .....	1,283,000	363,000
<b>Shareholders' Equity</b>		
Capital stock		
Authorized—10,000,000 shares of \$2 par value		
Issued —4,444,450 shares .....	8,889,000	8,889,000
General reserve .....	33,000,000	33,000,000
Unappropriated earnings .....	3,312,000	3,086,000
	45,201,000	44,975,000
	\$953,188,000	\$793,046,000



# Statement of Revenue and Expense

For the Year Ended December 31, 1973

	1973	1972
<b>Revenue</b>		(Reclassified Note 1)
Interest from mortgages and other loans	\$ 49,347,000	\$ 42,008,000
Interest and dividends from securities and bank deposit receipts	17,677,000	13,247,000
Fees and commissions	6,437,000	5,760,000
Real estate commissions	1,822,000	1,041,000
	75,283,000	62,056,000
<b>Expense</b>		
Interest on deposits	53,756,000	41,772,000
Salaries and staff benefits	8,144,000	6,395,000
Premises including depreciation and amortization of \$349,000 (1972—\$190,000)	1,355,000	1,229,000
Commissions paid to real estate agents and salesmen	1,218,000	686,000
Other operating expenses	4,690,000	2,962,000
	69,163,000	53,044,000
Operating profit before taxes	6,120,000	9,012,000
Income taxes		
Current	1,946,000	4,094,000
Deferred	699,000	(47,000)
	2,645,000	4,047,000
<b>Net operating profit</b>	3,475,000	4,965,000
Net gain on sale of investments, less applicable income taxes	40,000	217,000
<b>Net profit before extraordinary item</b>	3,515,000	5,182,000
Gain on disposal of premises	—	200,000
<b>Net profit for the year</b>	\$ 3,515,000	\$ 5,382,000
Earnings per share:		
Net operating profit	\$0.78	\$1.12
Net gain on sale of investments	\$0.01	\$0.05
Net profit before extraordinary item	\$0.79	\$1.17
Net profit for the year	\$0.79	\$1.21
Number of shares outstanding during the year	4,444,450	4,444,450

We hereby certify that to the best of our knowledge and belief the balance sheet as at December 31, 1973 and the statements of revenue and expense, unappropriated earnings and general reserve for the year then ended are correct and show truly and clearly the financial condition of the Company's affairs and the results of its operations.

G.R. SHARWOOD, *Chairman of Board and Chief Executive Officer* J.W. McCUTCHEON, *Director* A.R. MARCHMENT, *President*

## Notes to Financial Statements December 31, 1973

### 1. Changes in Account Classification

The 1972 comparative figures have been reclassified to reflect the account classification adopted in 1973.

### 2. Investment in Affiliated Companies

This comprises the investments in two affiliated companies which are accounted for on the equity basis. The Company's equity in the net earnings or losses of the affiliates has been included in the statement of revenue and expense.

### 3. Contingencies

(a) Guaranty Trust has made an offer to the certificate holders of Champion Savings Corporation Limited. Champion Savings has been petitioned into bankruptcy by Guaranty Trust as a result of a fraudulent exchange of securities by certain officers of Champion Savings. It is not possible to determine what final settlement may arise in this matter; however, the provision for settlement of claim by Guaranty Trust of \$800,000 net is considered adequate.

(b) Included in the balance of unappropriated earnings at January 1, 1972 is a charge of \$368,000 in respect of the restatement of land and buildings at cost less accumulated depreciation as well as a provision for estimated income taxes and related charges in connection with the reporting of income over a number of years prior to 1971. In this latter regard, no final settlement has been made but the Company does not believe any further provision is required in these accounts.



# Statement of Unappropriated Earnings

For the Year Ended December 31, 1973	1973	1972
Balance at beginning of the year (Note 3 (b))	\$ 3,086,000	\$ 3,193,000
Net profit for the year	3,515,000	5,382,000
	6,601,000	8,575,000
Deduct—Dividends (1973—56 cents per share; 1972—56 cents per share)	2,489,000	2,489,000
—Provision for settlement of claim (Note 3 (a))	800,000	—
—Transfer to general reserve	—	3,000,000
	3,289,000	5,489,000
Balance at end of the year	\$ 3,312,000	\$ 3,086,000

For the Year Ended December 31, 1973	1973	1972
Balance at beginning of the year	\$ 33,000,000	\$30,000,000
Transfer from unappropriated earnings	—	3,000,000
Balance at end of the year	\$ 33,000,000	\$33,000,000

## Auditor's Report

*To the Shareholders of Guaranty Trust Company of Canada*

We have examined the balance sheet of Guaranty Trust Company of Canada as at December 31, 1973 and the statements of revenue and expense, unappropriated earnings and general reserve for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Company, these financial statements present fairly the financial position of the Company as at December 31, 1973 and the results of its operations and changes in general reserve for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, January 31, 1974.

Price Waterhouse & Co.  
*Chartered Accountants*



# Board of Directors

\*† J. P. Bassel, Q.C.  
Partner—Bassel,  
Sullivan & Lawson  
Toronto, Ontario

R. R. Belanger, *Vice-President*  
Vice-President, Molson,  
Rousseau & Co. Limited  
Montreal, Quebec

J. G. Bennett, *Vice-President*  
Chairman and President,  
Bennett Ventures Limited  
Vancouver, B.C.

W. J. Bulman,  
President,  
The Bulman Group Limited  
Winnipeg, Manitoba

C. A. Cadieux,  
Director, F.W. Woolworth  
Company Limited  
Toronto, Ontario

\*† G. R. Chater,  
President,  
Grafton Group Limited  
Toronto, Ontario

\*H. E. Dynes,  
President,  
Traders Group Limited  
Toronto, Ontario

I. R. Gerstein,  
President,  
Peoples Jewellers Limited  
Toronto, Ontario

Brig.-Gen. W. P. Gilbride, C.B.E.,  
D.S.O., E.D., LL.D.,  
*Vice-President*, Chairman,  
Grafton Group Limited  
Toronto, Ontario

C. O. Hurly,  
Executive Vice-President,  
Chrysler Canada Limited  
Windsor, Ontario

C. S. Lee,  
Chairman,  
Western Decalta Petroleum Ltd.  
Calgary, Alberta

W. A. Major,  
President, The United  
Provinces Insurance Company  
Montreal, Quebec

\*† A. R. Marchment,  
President, Guaranty Trust  
Company of Canada  
Toronto, Ontario

\*J. W. McCutcheon, *Chairman*  
*of the Executive Committee*  
Partner—Shibley,  
Righton & McCutcheon  
Toronto, Ontario

S. A. Milner,  
President, Chieftain  
Development Company Limited  
Edmonton, Alberta

G. H. Nelms,  
President, Geo. H. Nelms Ltd.  
Ottawa, Ontario

H. J. O'Connell, K.C.S.G.  
Chairman, H. J. O'Connell Limited  
Montreal, Quebec

J. J. Rankin,  
President, Jorex Limited  
Toronto, Ontario

S. B. Roman, K.C.S.G., LL.D.  
Chairman and  
Chief Executive Officer,  
Denison Mines Limited  
Toronto, Ontario

W. S. Row,  
Executive Vice-President,  
Noranda Mines Limited  
Toronto, Ontario

J. B. Sangster,  
Chairman and  
Chief Executive Officer,  
Modern Packaging Company Ltd.  
Regina, Saskatchewan

A. Sarlos,  
President, MerBan Capital  
Corporation Limited  
Toronto, Ontario

\*† G. R. Sharwood,  
Chairman and Chief Executive  
Officer, Guaranty Trust  
Company of Canada  
Toronto, Ontario

† W. J. Shea, Q.C.  
Partner—Shea, Stoner & Weaver  
Sudbury, Ontario

A. F. Sheppard, Q.C.  
Partner—Martin, Sheppard,  
Clark, McKay & Den Ouden  
Niagara Falls, Ontario

E. L. G. Smith,  
Chairman and President,  
E. D. Smith & Sons Limited  
Winona, Ontario

D. I. Webb,  
Financial Consultant  
Toronto, Ontario

\*D. B. Weldon,  
President, Midland Doherty  
Limited  
Toronto, Ontario

\*R. F. Wilson, Q.C.  
Partner—Day, Wilson, Campbell  
Toronto, Ontario

*\*Member of the Executive  
Committee*

*†Member of the Audit  
Committee*



# Officers of the Company

## Directors Emeriti

W. H. Furlong, Q.C.,  
Windsor, Ontario  
R. W. Keeley, K.S.G., K.M.,  
Windsor, Ontario  
J. P. Manley, Q.C.,  
Toronto, Ontario  
Geo. M. Miller, Q.C.,  
Sudbury, Ontario  
W. F. Spry, F.I.I.C.,  
Toronto, Ontario

G. R. Sharwood, B.A., M.A.  
*Chairman and Chief Executive Officer*  
A. R. Marchment, B.A., F.C.A.,  
C.P.A. *President*

J. J. L. White, B.A., LL.B.,  
*General Counsel and Secretary*

R. L. Armstrong, LL.B.  
*Vice-President —  
Business Development*  
H. R. Barclay  
*Vice-President — Investments*  
J. D. Crease, LL.B.  
*Vice-President — Personal Trust*  
M. E. Murphy, B.Comm., M.B.A.,  
*Vice-President — Information  
Systems*

## Regional Vice-Presidents

L. F. Eberts, B.Comm.,  
M.B.A. — *Western*  
J. A. Farrer, B.A. — *Eastern*  
T. R. Hixson, — *Ontario*  
W. M. Simms, LL.B. — *Mid-West*  
E. B. Toller, B.A.,  
B.Comm. — *Toronto*

## Assistant Vice-Presidents

H. C. Aird, LL.B.  
*Corporate Services*  
G. E. Galbraith  
*Personal Trust*  
H. Jim, B.A.Sc., C.A.  
*Controller*  
W. M. Moore, B.Comm.  
*Personnel*  
J. T. Morgan, B.A.  
*Marketing*  
H. A. Rorison, B.Comm.  
*Corporate Finance*  
P. A. Spark, M.A., C.F.A.  
*Equity Investments*  
R. J. Widdicombe, B.A.  
*Mortgage Investments*

## Client Service Managers

R. E. Biggin, F.R.I.  
*Real Estate*  
J. F. Chapple  
*Investment Fund Services*  
N. Kelman, *Corporate  
Pension Services*  
E. D. MacKay  
*Personal Loans*  
R. J. McCabe  
*Stock Transfer Operations*

## Administrative Managers

W. D. Bouillon  
*Executive Assistant*  
A. G. Paton, B.Math., M.B.A.  
*Facilities*  
R. M. Price, C.A.  
*Budget Planning*  
W. G. Schmida, B.A. Sc., M.B.A.  
*Information Systems*  
D. J. Skene  
*Personnel*

# Managers, Agents and Branches

## WESTERN REGION

L. F. Eberts,  
*Regional Vice-President*  
B. M. Miller,  
*Regional Manager of*  
*Administration*  
540 Burrard Street  
Vancouver, B.C.  
681-0151

### British Columbia

Vancouver  
540 Burrard Street  
L. F. Eberts, *Manager*  
M. J. Broadbent,  
*Assistant Manager*  
681-0151  
1655 Marine Drive  
A. E. F. Staple, *Manager*  
922-0158  
2741 Granville Street  
J. R. Young, *Manager*  
736-6595  
1452 Lonsdale Avenue  
Mrs. S. S. Robb, *Manager*  
985-7487

### Victoria

L. G. McKenzie, Q.C., *Agent*

### Alberta

Calgary  
311 Eighth Avenue S.W.  
A. C. Pope, *Manager*  
F. A. Youck, *Assistant Manager*  
263-0270  
Edmonton  
10010 Jasper Avenue  
E. K. Stephens, *Manager*  
424-6451  
10458 - 82nd Avenue  
P. D. Kiely, *Manager*  
439-7356

## MID-WEST REGION

W. M. Simms,  
*Regional Vice-President*  
430 Portage Avenue  
Winnipeg, Manitoba  
943-8504

### Saskatchewan

Moose Jaw  
351 Main Street N.  
W. A. Roe, *Manager*  
692-1805  
Regina  
2020 - 11th Avenue  
A. O'Leary, *Manager*  
527-8636  
Saskatoon  
212 - 22nd Street E.  
J. M. Thomas, *Manager*  
653-0212

### Manitoba

Winnipeg  
430 Portage Avenue  
W. M. Simms, *Manager*  
943-8504

### Ontario

Thunder Bay  
240 Arthur Street  
G. L. Main, *Manager*  
345-1487  
516 Victoria Avenue  
R. A. Thompson, *Manager*  
622-7706  
Sault Ste. Marie  
498 Queen Street E.  
R. E. White, *Manager*  
256-8478

## TORONTO REGION

E. B. Toller,  
*Regional Vice-President*  
366 Bay Street  
Toronto, Ontario  
863-5104

### Toronto

366 Bay Street  
W. A. Baker, *Manager*  
863-5020  
1719 Avenue Road  
T. P. Clarke, *Manager*  
781-4661  
970 Bloor Street West  
J. P. Amenta, *Manager*  
531-4641  
45 Don Mills Centre  
I. B. R. Montizambert, *Manager*  
447-6453  
2555 Victoria Park Avenue  
S. W. Stewart, *Manager*  
491-7230  
2488 Yonge Street  
M. F. Rehr, *Manager*  
485-0453  
3204 Yonge Street  
G. H. Smith, *Manager*  
483-3541  
4809 Yonge Street  
J. S. Pyatt, *Manager*  
223-0030  
Mississauga  
4141 Dixie Road  
G. H. Pluim, *Manager*  
625-8400  
Richmond Hill  
10132 Yonge Street  
D. P. Rogers, *Manager*  
884-1188  
Stouffville  
81 Main Street W.  
J. C. Barrett, *Manager*  
640-4000



## ONTARIO REGION

T. R. Hixson  
*Regional Vice-President*  
366 Bay Street  
Toronto, Ontario  
863-5000

Collingwood  
(to be opened in  
June, 1974)

Hamilton  
82 King Street E.  
J. D. Nowlan, *Manager*  
525-3630

Hanover  
261 - 10th Street  
E. D. Buehlow, *Manager*  
364-2940

Leamington  
25 Talbot Street E.  
G. R. Wigle, *Manager*  
326-4471

Niagara Falls  
5799 Main Street  
K. H. Lindsay, *Manager*  
356-2421  
4424 Queen Street  
D. R. Cook, *Manager*  
354-7437

Oshawa  
32 King Street E.  
T. M. Roberts, *Manager*  
728-1653

St. Catharines  
110 King Street  
A. M. Damude, *Manager*  
684-6593

Simcoe  
2 Norfolk Street S.  
H. W. Fick, *Manager*  
426-3910

Welland  
62 East Main St.  
K. J. P. Moser, *Manager*  
732-2461

Windsor  
305 Victoria Avenue  
L. E. Owens, *Manager*  
252-4434

## EASTERN REGION

J. A. Farrer,  
*Regional Vice-President*  
366 Bay Street  
Toronto, Ontario  
863-5273

**Ontario**

Belleville  
199 Front Street  
W. E. Miller, *Manager*  
966-1411

Cornwall  
250 Pitt Street  
D. J. Dunsbier, *Manager*  
932-0204

North Bay  
101 Main Street E.  
L. M. Edwards, *Manager*  
474-5200

Ottawa  
109 Bank Street  
W. A. Edge, *Manager*  
G. J. Lalonde,  
*Assistant Manager*  
D. G. Tait, *Assistant Manager*  
232-2691  
Billings Bridge Plaza  
S. J. Fitzgerald, *Manager*  
731-4220  
St. Laurent Shopping Centre  
B. G. Hildebrandt, *Manager*  
745-1588

Pembroke  
126 Pembroke Street W.  
L. Loevenmark, *Manager*  
735-6817

Peterborough  
419 George Street N.  
W. J. Chapman, *Manager*  
742-9244

Sudbury  
105 Durham Street S.  
E. D. Skuce, *Manager*  
O. F. Gross, *Assistant Manager*  
675-1244

## Quebec

Hull  
114 Main Street  
M. Côté, *Manager*  
771-6655

Montreal  
427 St. James Street W.  
L. Lapointe, *Acting Manager*  
E. R. Feeley, *Assistant Manager*  
849-5705

## New Brunswick

Fredericton  
H. A. Hanson, Q.C., *Agent*

## Newfoundland

St. John's  
E. Cook, Q.C., *Agent*

## Nova Scotia

Halifax  
R. J. Downie, Q.C., *Agent*

## Northwest Territories

Yellowknife  
D. A. Finall, *Agent*

## Foreign Agents

National Bank of Detroit  
Detroit, Michigan U.S.A.

Royal Bank of Canada  
London, England

Henry Angel  
Vice-President  
CIPM Canadian International  
Project Managers Limited  
7-A Sea and Sky Court  
92 Main St., Stanley,  
Hongkong

# Guaranty Trust Realtor Offices

## WESTERN REGION

### British Columbia

- \*Vancouver  
1035 Richards St.  
H. Dammholz  
685-1346

### Alberta

- \*Calgary  
809 - 17th Ave. S.W.  
E. Chelsberg, *R.E. Manager*  
244-2781
- \*Edmonton  
11043 - 95th St.  
E. Hardeman, *R.E. Manager*  
424-7126

## MID-WEST REGION

### Saskatchewan

- Regina  
2020 - 11th Ave.  
W. Natrass, *R.E. Manager*  
527-8636
- Saskatoon  
212 - 22nd St. E.  
D. McIntyre  
653-0212

### Manitoba

- \*Winnipeg  
1355 Portage Ave.  
W. Loepp, F.R.I., *R.E. Manager*  
786-8594

### Ontario

- Sault Ste. Marie  
498 Queen St.  
M. Vannini, *R.E. Manager*  
256-8478
- Thunder Bay "F"  
516 Victoria Ave.  
V. Bailey, *R.E. Manager*  
623-5161
- Thunder Bay "P"  
240 Arthur St.  
V. Bailey, *R.E. Manager*  
623-5161

## TORONTO REGION

- \*Divisional Office  
2171 Avenue Rd., Ste. 305  
R. E. Biggin, F.R.I.,  
*National Manager*  
484-1415
- \*Industrial, Commercial and Investment  
2171 Avenue Rd., Ste. 305  
S. McCready, *Manager*  
484-8000
- \*Etobicoke  
5128A Dundas St. W.  
Islington  
P. McGrath, *R.E. Manager*  
239-3956
- \*Mississauga  
65 Dundas St. W.  
E. Allen, *R.E. Manager*  
270-4621
- \*Richmond Hill  
10132A Yonge St.  
L. O'Hagan, F.R.I.,  
*R.E. Manager*  
889-1166
- \*Willowdale  
4844 Yonge St.  
K. N. Russell, *R.E. Manager*  
221-5541

## ONTARIO REGION

- \*Fort Erie  
County Fair Mall  
R. Climenhage M.I.M.A., C.R.A.,  
*R.E. Manager*  
871-3811
- \*Hamilton  
974 Upper James St.  
K. Thur, *R.E. Manager*  
388-4060
- Hanover  
261 - 10th St.  
E. Eller  
364-2940
- Hensall  
P.O. Box 65  
R. B. Paterson,  
*Trust Officer*  
262-2116

- \*Niagara Falls  
5816 Main St.  
R. Climenhage,  
M.I.M.A., C.R.A.,  
*R.E. Manager*  
358-7171
- Oshawa  
32 King St. E.  
T. Roberts,  
*Br. Manager*  
728-1653
- \*St. Catharines  
131 Niagara St.  
Mrs. D. Nuttycombe,  
F.R.I., C.R.A., C.R.B.,  
*R.E. Manager*  
684-4396
- Simcoe  
2 Norfolk St. S.  
H. W. Fick,  
*Br. Manager*  
426-3910
- Windsor  
305 Victoria Ave.  
A. Nelman, *R.E. Manager*  
252-7282

## EASTERN REGION

- \*Belleville  
32 Bridge St. E.  
Mrs. N. Bland, F.R.I.,  
*R.E. Manager*  
966-3324
- Cornwall  
250 Pitt St.  
D. Knight, *R.E. Manager*  
932-1454
- \*Ottawa  
229 Metcalfe St.  
Ste. #1, Kenson Bldg.  
J. Sharkey, *R.E. Manager*  
238-1347
- Sudbury  
P.O. Box 668  
Postal Stn. "B"  
105 Durham St. S.  
L. Hautamaki  
675-1208

*\*These offices are in separate locations from savings branches.*



# Advisory Boards

## WESTERN REGION

### British Columbia

#### Vancouver

A. H. Ainsworth, B.A., M.A.,  
B.C.L., R.S.B.C.

Ainsworth & Company

\*J. G. Bennett, *Vice-President & Director*

President, Bennett Ventures  
Limited

F. S. Clendenning

Director, Dominion Shipping  
Company

J. D. Leishman, M.D.

Director, Teck Corporation  
Limited

W. C. Mulvihill

Special Representative,  
Guaranty Trust Company of  
Canada

### Alberta

#### Calgary

G. D. Ash

\*C. S. Lee, *Director*

Chairman, Western Decalta  
Petroleum Limited

J. L. McPherson

McPherson, Kelley & O'Neill

D. C. Matthews

President, Highland Stock Farms  
Limited

E. O'Connor

Administrator, Calgary Associate  
Clinic

C. von Maffei

Chairman of the Board,  
Sabre Petroleums Limited

#### Edmonton

D. R. Gormley

President & Chief Executive  
Officer, G. W. G. Limited

S. A. Milner, *Director*

President, Chieftain Development  
Co. Ltd.

\*Hon. G. W. Prudham, P.C.

President, Prudham Building  
Supplies Limited

E. S. Sunley

President, Sunley Electric  
Limited

L. E. Wilson

President & Managing Director,  
Futurity Oils Limited

## MID-WEST REGION

### Saskatchewan

#### Moose Jaw

\*B. Dubinsky, Q.C.

Dubinsky, Phillips & Andreychuk

J. M. Heffley, B.A.

W. Konopaki

President, Moose Jaw Sash &  
Door (1963) Co. Ltd.

T. B. Seaborn

Dr. F. H. Wigmore

#### Regina

J. Bechard

\*J. B. Sangster, *Director*,  
Chairman & Chief Executive  
Officer,  
Modern Packaging Company Ltd.

Dr. S. Young, C.R.C.S.

Chairman, Medical Arts Clinic

#### Saskatoon

M. Boychuk

President, Boychuk Construction  
(Sask.) Ltd.

\*D. S. McKercher, Q.C.

Wedge, McKercher, McKercher  
& Stack

### Manitoba

#### Winnipeg

R. H. C. Baker, Q.C.

Baker, Zivot, Wolchock &  
Company

W. J. A. Bulman, *Director*

President, The Bulman Group  
Limited

R. G. Graham

President & Director, Inter-City  
Gas Limited

\*P. P. Halls

## Ontario

### Sault Ste. Marie

\*A. Y. Broughton

Director, Ontario Municipal  
Water Association

Dr. M. V. J. Keenan, D.D.S.

G. F. Langdon

D. M. Lawson, Q.C.

Lawson, Priddle & Pawelek

C. B. Noble, Q.C.,

Wishart, Noble, Nori, Reilley  
& Wright

Judge H. D. Peterson, Q.C.,

Peterson & Peterson

Dr. A. B. Sinclair, F.R.C.S. (c)  
M.D.

### Thunder Bay

J. Andrews

Chairman, Northern Ontario  
Development Corporation

O. Claydon

President & Managing Director,  
Claydon Company Limited

P. R. Cook

President, Barnett-McQueen Co.  
Ltd.

\*R. J. Flatt

President, G. R. Duncan & Co.  
Limited

Dr. E. Powell

## TORONTO REGION

### Toronto

E. G. Burgess

\*Brig.-Gen. W. P. Gilbride,

C.B.E., D.S.O., E.D., LL.D.

*Vice-President & Director*

Chairman, Grafton Group  
Limited

J. S. Grant, Q.C.

Manley, Grant & Camisso

H. H. Siegal, Q.C.

Siegal, Fogler

## ONTARIO REGION

### Hamilton

W. A. Hewson  
President, William Hewson  
Enterprises Ltd.  
J. A. Peller, M.D., M.R.C.P. (E)  
F.R.C.P.(C)  
President, Andres Wines  
E. A. Shaker  
Inch, Esterbrook, Shaker & Crane  
\*E. L. G. Smith, *Director*  
Chairman & President  
E. D. Smith & Sons Ltd.

### Hanover

G. C. Loucks  
Barrister & Solicitor

### Niagara Falls

Mrs. C. Costanzo  
Director, Niagara Institute for  
Human Development  
Dr. J. D. Davidson  
W. B. Leslie  
Editor & Publisher,  
Niagara Falls Evening Review  
\*A. F. Sheppard, Q.C., *Director*  
Martin, Sheppard, Clark, McKay  
& den Ouden  
W. Slovak  
Partner—Slovak, Sinclair &  
Crowe  
D. R. White  
President, M. A. Kent Stores  
Limited

### Oshawa

H. G. Gay  
President, Gay Construction  
\*S. E. Lovell  
President, Jury & Lovell Ltd.

### St. Catharines

I. D. Buchanan  
J. D. Buchanan & Sons  
\*M. A. Chown  
Chown, Cairns, Edgar, Taliano &  
Huska  
R. R. P. Court  
President, Court Industries  
Limited

A. Katzman  
President, Parkway Lanes  
Limited  
Parkway Inn Motor Hotel  
R. R. Sawle  
President, Blenkhorn & Sawle  
Limited  
W. C. Smiley, C.A.  
Smiley, Scott & Ralph  
Welland  
L. Bruzzese, A.P.A.  
D. W. Lathrop, P.Eng.  
\*S. S. MacInnes, Q.C.  
MacInnes & Blackadder  
E. G. Marsh  
President, E. G. Marsh Limited  
Windsor  
R. H. Cummings  
Executive Vice-President,  
National Bank of Detroit  
W. F. Harvie  
Partner—Peat, Marwick, Mitchell  
& Co.  
\*C. O. Hurly, *Director*  
Executive Vice-President,  
Chrysler Canada Ltd.  
S. Martin  
Vice-President & Operating  
Manager,  
Champion Spark Plug Company  
of Canada Ltd.  
W. H. Prince, Q.C.,  
McPherson, Prince, Geddes &  
Clements  
T. C. White  
President, MacDonald & White  
Varnish & Paint Company

## EASTERN REGION

### Ontario

#### Belleville

G. R. Cameron, B.Comm.,  
Cameron & Ord  
R. B. Graham  
Graham Investments  
L. E. Grills  
President, Lee Grills Dairy  
\*A. MacLean Haig, O.B.E., B.A.  
J. M. Parrott  
President, Stanley Park Limited

#### Cornwall

J. L. Cook  
\*S. E. Fennell, Q.C., LL.D.,  
Fennell, Rudden, Campbell &  
Wilson  
W. R. MacEwen  
President, Maxwell Feed & Seed  
Company Limited  
C. D. Parisien  
Secretary-Treasurer, Cledic  
Enterprises Ltd.  
G. W. Thom  
President, The Thom Insurance  
Agency Limited

#### North Bay

A. Butti  
K. Graber  
President, Federal Drilling  
Supplies Limited  
\*K. M. Valin, Q.C.,  
Valin, Loukidelis, Smith & Valin

#### Ottawa

A. Arvisais, B.A., F.C.I.S.,  
President, Union du Canada  
Assurance-Vie  
R. Campeau  
Chairman and President  
Campeau Corporation Limited  
A. K. Gillmore, B.A.,  
Vice-Rector University of Ottawa  
G. M. Gowling  
O. Low, Q.C.  
Low, Murchison, Burns, Thomas  
& Haydon  
R. B. Major, K.M.  
\*G. H. Nelms, *Director*  
Geo. H. Nelms Ltd.  
H. Soloway, Q.C.,  
Soloway, Wright, Houston,  
Kelleen & Greenberg



## Peterborough

M. Cathcart

President, Cathcart Freight Lines Limited

Dr. J. G. Frid, C.R.C.P (c) Faa. P.

W. J. Garner

General Manager, Peterborough Examiner Ltd.

M. Golumbia, C.A. B.Acc.

Golumbia, Smith, Aykroyd & Co.

\*J. G. Wharry

Director, Quaker Oats Company of Canada Limited

## Sudbury

P. Chalifoux

P. Crossgrove

President, Pioneer Construction Co. (1967) Ltd.

A. L. Favretto

Doherty McCuaig Ltd.

\*W. J. Shea, Q.C., B.A., *Director*

Shea, Stoner & Weaver

N. Smith

Neil Smith Construction Limited

## Quebec

### Hull

\*S. E. Dussault, C.D., A.A.

Président, S. Dussault & Sons Inc.

L. J. Grégoire, B.A., B.Sc.

Président, Grégoire &

Courchesne

Dr. G. Isabelle, M.P.

Ediface Medical de Hull Ltée

J. H. Kelly

Président, Kelly-Leduc Limited

G. Moreault

President, Gérard Moreault Ltée

A. Pilon

Président, Pilon Ltée (PAL)

P. F. Raymond

Président, A. L. Raymond Ltée

### Montreal

W. K. Baldwin

Canadian Ingersoll-Rand Company Ltd.

J. J. Beauchemin, Q.C.

President, Group Minier Sullivan Ltée.

\*R. R. Belanger, *Vice-President & Director*

Vice-President, Molson Rousseau & Co. Limited

C. A. Cadieux, *Director*

Vice-President, F. W. Woolworth Co. Ltd.

G. Charbonneau, B.A., C.I.B., C.L.J.

President, Peerless Insurance Agencies Ltd.

G. O. Clermont

Président du Conseil, Clermont Motors Limited

E. J. Crevier

R. F. Elliott, Q.C.

Stikeman, Elliott, Tamaki, Mercier & Robb

Brig. Gen. J. G. Gauvreau

President, Concrodia Estates Limited

G. H. Leal

President, G. H. Leal & Company

W. A. Major, A.I.J.C., *Director*

President, United Provinces Insurance Company

H. J. O'Connell, K.C.S.G., *Director*

Chairman of the Board,

H. J. O'Connell Limited

P. Vaillancourt Jr.

Directeur des Services

Administratifs

La Prévoyance

Compagnie d'Assurance

## Honorary Advisory Board Members

S. C. Atkinson,

Regina, Saskatchewan

H. Badanai,

Thunder Bay, Ontario

N. W. Brewer,

Winnipeg, Manitoba

J. N. Cayouette,

Montreal, Quebec

R. H. Coulson,

Niagara Falls, Ontario

Hon. M. Dewan,

Toronto, Ontario

F. A. Domenico,

Belleville, Ontario

P. Gardner,

Sudbury, Ontario

W. J. Hussey,

Vancouver, British Columbia

R. W. Keeley,

Windsor, Ontario

J. H. Lane,

Regina, Saskatchewan

A. L. MacLean,

Welland, Ontario

F. D. Mathers,

Vancouver, British Columbia

A. G. McHugh, Q.C.,

Ottawa, Ontario

Lt.-Col. G. W. H. Millican, Q.C.,

Calgary, Alberta

J. E. Racicot,

Sudbury, Ontario

Geo. Weller,

Windsor, Ontario

## NEW ADDITIONS 1973

A. L. Benson,

Niagara Falls, Ontario

T. H. Coppin,

Oshawa, Ontario

M. Neaman,

Winnipeg, Manitoba

T. L. Wilson,

Oshawa, Ontario

\*Chairman

# Five Year Review

	1973	1972	1971	1970	1969
(\$000's omitted)	As Previously Reported				
Investment Income	\$ 67,024	\$ 55,255	\$ 50,759	\$ 46,343	\$ 39,517
Fees and Commissions	\$ 8,259	\$ 5,868	\$ 4,996	\$ 5,220	\$ 4,924
Gross Revenue	\$ 75,283	\$ 61,123	\$ 55,755	\$ 51,563	\$ 44,441
Net Profit for the Year	\$ 3,515	\$ 5,382	\$ 3,822	\$ 2,017	\$ 2,788
<b>Per Share</b>					
Net Profit for the Year	\$ 0.79	\$ 1.21	\$ 0.97	\$ 0.52	\$ 0.72
Dividends	\$ 0.56	\$ 0.56	\$ 0.50	\$ 0.50	\$ 0.50
Shareholders' Equity	\$ 10.17	\$ 10.12	\$ 9.07	\$ 8.48	\$ 8.46
<b>Year End Position</b>					
Mortgages	\$ 651,770	\$ 507,110	\$ 469,920	\$ 412,174	\$ 380,177
Guaranteed Trust Funds	\$ 903,873	\$ 744,237	\$ 717,920	\$ 614,599	\$ 585,759
Shareholders' Equity	\$ 45,201	\$ 44,975	\$ 40,324	\$ 32,960	\$ 32,887
Assets Under Administration					
Company and Guaranteed Funds	\$ 953,188	\$ 793,046	\$ 760,737	\$ 648,059	\$ 619,558
Estate, Trust and Agency Assets	\$ 579,595	\$ 551,747	\$ 480,759	\$ 429,709	\$ 393,919
Total Assets Under Administration	\$ 1,532,783	\$ 1,344,793	\$ 1,241,496	\$ 1,077,768	\$ 1,013,477
Average Number of Shares Outstanding	4,444,450	4,444,450	3,935,187	3,888,890	3,888,890





